

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

[3166]

**FRIDAY, THE TWENTY THIRD DAY OF FEBRUARY
TWO THOUSAND AND TWENTY FOUR**

PRESENT

THE HONOURABLE SRI JUSTICE T.VINOD KUMAR

COMPANY APPLICATION NO: 1 OF 2024

**IN
R.C.C.No.2 OF 1995**

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

**IN THE MATTER OF M/S. A.P. STEELS LTD AND VARIOUS COMPANIES (IN
LIQN)**

Between:

The Official Liquidator, for the State of Telangana and Andhra Pradesh.

...APPLICANT

Company Application Under Section 457 & 462 of the Companies Act, 1956 read with Rules 298, 300, 302, 304, 306 & 309 and further read with Rule 9 of the Companies (Court) Rules, 1959 praying that this Hon'ble Court may be pleased to

- i. take this affidavit and facts stated herein on record.
- ii. approve the allocation of 124 Companies (in liqn) as per Annexure -A to 3 Chartered Accountants viz., 1). M/s. Murthy and Kanth, Chartered Accountant, Hyderabad 2). M/s. Padmanabha Rao and Co., Chartered Accountant, Hyderabad 3). M/s. K.B.S. Associates, Chartered Accountant, Hyderabad proportionately (i.e., 41 companies to 2 auditors and 42 to one auditor or pass such other order as this Hon'ble Court may deem fit and proper for the audit of Half yearly Accounts for the period from 01.04.2023 to 30.09.2023.
- iii. permit the Official Liquidator to file the Audit Report of the Half yearly accounts for the period from 01.04.2023 to 30.09.2023 in respect of 124 Companies in liquidation before this Hon'ble Court within 60 days from the date of receipt of the same from the Chartered Accountants, so allotted.

- iv. Dispense with the filing of half yearly accounts and audit thereof in respect of 10 Companies as there is no transaction of "receipts and payments" for the period 01.04.2023 to 30.09.2023 (as stated at Para No.5)
- v. Permit the Official Liquidator to pay the fees to the said Chartered Accountants in accordance with the order of this Hon'ble Court dated 08.04.2022 made in C.A.No.8/2022 in RCC No.2/1995.
- vi. Permit the Official Liquidator payment of fee to the said Auditors out of the funds of the respective Companies in liquidation and in case of companies where sufficient funds are not available, it may be permitted to pay from the funds of the Estate and Establishment Fund Account of the Official Liquidator, subject to reimbursement of the same from the funds of such Companies upon realization of assets of those Companies, if any.
- vii. Order that the cost of this application and miscellaneous cost do come out of the funds of the respective Companies in liquidation.

This Application coming on for Orders, upon reading Judge's summons and the affidavit dated 29-12-2023 and filed by Sri U.N. Sahoo, Official Liquidator in support of the Application and upon hearing the arguments of Sri J. SREENATH REDDY, Standing Counsel for Official Liquidator for the Applicant.

The Court made the following: ORDER

THE HON'BLE SRI JUSTICE T. VINOD KUMAR

COMPANY APPLICATION No.1 of 2024

IN

R.C.C.No.2 of 1995

ORDER:

This application is filed under Sections 457 and 462 of the Companies Act, 1956 read with Rules 298, 300, 302, 304, 309 and 309 and further read with Rule 9 of the Companies (Court) Rules, 1959, for the following reliefs:

- i) *Take this affidavit and facts stated herein above on record.*
- ii) *Approve the allocation of 124 Companies (in Lign) (as per Annexure-A) to the 3 Chartered Accountants viz. 1) M/s.Murthy & Kanth, Chartered Accountant, Hyderabad, 2) M/s.Padmanabha Rao & Co., Chartered Accountant, Hyderabad and 3) M/s.K.B.S. Associates, Chartered Accountant, Hyderabad proportionately (i.e. 41 companies 2 auditors and 42 to one auditor) or pass such other order as this Hon'ble Court may deem fit and proper for audit of Half Yearly Accounts for the period from 01.04.2023 to 30.09.2023.*
- iii) *Permit the Official Liquidator to file the Audit Report on the Half Yearly accounts for the period from 01.04.2023 to 30.09.2023 in respect of 124 Companies in Liquidation before this Hon'ble Court within 60 days from the date of receipt of the same from the Chartered Accountants.*
- iv) *Dispense with the filing of half yearly accounts and audit thereof in respect of 10 companies as there is no transaction of 'receipts and Payments' for the period from 01.04.2023 to 30.09.2023 (as stated in para No.5).*
- v) *Permit the Official Liquidator to pay the fees to the said Chartered Accountants in accordance with the order of this Hon'ble Court dated 08.04.2022 made in C.A.No.8/2022 in RCC No.2/1995.*
- vi) *Permit the Official Liquidator payment of fee to the Auditors out of the funds to the said Auditors out of the*

funds of the respective Companies-in-Liquidation and in case of Companies where sufficient funds are not available, it may be permitted to pay from the funds of the Estate and Establishment Fund Account of the Official Liquidator, subject to reimbursement of the same from the funds of such Companies upon realization of assets of those Companies, if any.

- vii) Order that the Cost of this application and miscellaneous cost do come out of the funds of the respective Companies in liquidation; and*
- viii) Pass such further or other order or orders as this Hon'ble Court may deem fit and proper in the Circumstances of the case."*

2. Heard Sri J.Srinadh Reddy, learned Standing Counsel for the Official Liquidator, and perused the record.

3. Having regard to the reasons stated in the accompanying affidavit and also having regard to the order dated 08-04-2022 passed by this Court in C.A.No.8/2022, this Court is of the view that the audit work for the period 01-04-2023 to 30-09-2023 is required to be done by the auditors in respect of 124 companies, whether or not there are transactions, and in case there are no transactions in the account of a particular company, the auditors' work may be less compared to others. However, for the purpose of the work to be carried out, in the considered view of this Court, the total number of companies i.e.124 companies are to be distributed equally between the three auditors.

4. The Official Liquidator, therefore, is permitted to seek the assistance of three auditors' firm as listed in para-3 of the affidavit by allotting to them proportionately i.e. 41 companies 2 auditors and 42 companies to one auditor as shown in the annexures appended to the affidavit and pay fee to the Auditors out of the funds of the respective companies in liquidation, and submit the audited accounts before this Court for approval.

5. The other incidental prayers set-out in the application are also granted.

6. Accordingly, this application is ordered. No costs.

Sd/- M. VIJAYA BHASKER
JOINT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Official Liquidator attached to the High Court at Hyderabad, In the matter of M/s. A.P. Steels Ltd and Various Companies (in liqn), Office at 1st floor Corporate Bhawan, Nagole, Bandlaguda Thattiannaram Village Hayathnagar Mandal, Ranga Reddy District, Telangana State Pin Code 500 680.
2. The Registrar of Companies, Ministry of Corporate Affairs, Government of India 2nd floor Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village Hayathnagar Mandal, Ranga Reddy District, Telangana State Pin Code 500 680.
3. The Regional Director, South Eastern Region, Ministry of Corporate Affairs, 3rd floor Corporate Bhawan, Nagole, Bandlaguda, Thattiannaram Village Hayathnagar Mandal, Ranga Reddy District Telangana State, Pin Code 500 680.
4. One CC to Sri J. Sreenadh Reddy, Counsel for the Official Liquidator, High Court for at Hyderabad.
5. The S.O. O.S. Section , High Court at Hyderabad, for the State of Telangana.
6. Two C.D.Copies

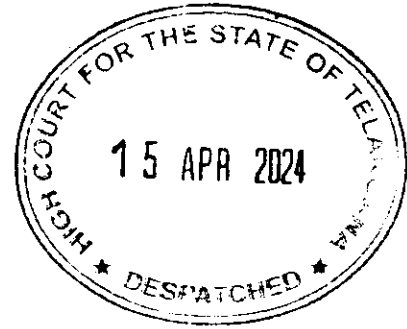
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HIGH COURT

DATED:23/02/2024

ORDER

**COMPA.No.1 of 2024
IN
R.C.C.No.2 OF 1995**



ORDERING THE APPLICATION

(8)

22/3/24

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